

CUSTOMS AND BORDER PROTECTION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2004 Final	2005 Enacted	2006 Request
Drug Resources by Function			
Intelligence	\$62.087	\$83.000	\$87.630
Interdiction	997.670	1,332.000	1,408.123
Research & Development	10.705	14.000	15.109
Total	\$1,070.462	\$1,429.000	\$1,510.862
Drug Resources by Decision Unit			
Salaries and Expenses	\$1,048.903	\$1,175.000	\$1,225.480
Construction	21.559	22.000	22.420
Air & Marine Operations		232.000	262.962
Total	\$1,070.462	\$1,429.000	\$1,510.862
Drug Resources Personnel Summary			
Total FTEs (direct only)	9,618	9,742	9,799
Information			
Total Agency Budget	\$4,898.8	\$5,333.3	\$5,575.6
Drug Percentage	21.9%	26.8%	27.1%

II. METHODOLOGY

Office of Field Operations

- The Office of Field Operations has identified 2,512 Customs and Border Protection (CBP) Officers positions that are specifically identified with drug enforcement. In August 2003, CBP established a Consolidated National Inspectional Anti-Terrorism Contraband Enforcement Team Policy (A-TCET). Under A-TCET, the former Contraband Enforcement Team (CET), Manifest Review Unit (MRU), Non-Intrusive Inspection, Canine, and Outbound teams will be united to form a single enforcement team, A-TCET. The A-TCET teams also work closely with the Passenger Enforcement Rover Team (PERT) and Passenger Analytical Unit (PAU) teams to coordinate all enforcement activities. Although the primary mission of the A-TCET teams is anti-terrorism, they will also focus on all types of contraband, including narcotics. In the past, 100 percent of CET Inspector time has been

devoted to drug enforcement. Since the primary focus of A-TCET is anti-terrorism, it is estimated that 85 percent of their time is devoted to drug enforcement. Although the primary focus of CET enforcement teams has changed, there is only a slight decrease in time devoted to drug enforcement due to similarities in function. The smuggling methodologies and their indicators are believed to be similar for both narcotics and anti-terrorism activities.

- As of October 2004, there are 804 Canine Enforcement Officers that are nearly 100 percent devoted to smuggling interdiction and 17 Currency Canine Enforcement Officers who are also 100 percent devoted to smuggling related interdiction.
- There are more than 14,000 other CBP Officers that, in addition to the interdiction of contraband, illegal drugs, and illegal aliens also enforce hundreds of laws and regulations of many other federal agencies. CBP subject matter experts estimate that 15-30 percent of these officers' time will be devoted to drug-related activities in FYs 2004-2006.

Office of Border Patrol

- There are over 11,000 Border Patrol agents that are assigned the mission of detecting and apprehending any illegal entrants between the ports-of-entry along the 8,000 miles of the United States borders. These illegal entries include alien and drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry due to their undocumented status, thus preventing their legal entry. It has been determined that 15 percent of the total agent time nationwide is related to drug interdiction activities. These activities include staffing 26 permanent border traffic checkpoints nationwide including 398 canine units trained in the detection of humans and certain illegal drugs that are concealed within cargo containers, truck trailers, passenger vehicles and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States. A fleet of over 100 fixed and rotary wing aircraft are operated along the borders and perform a multitude of missions that results in the interdiction of narcotics being smuggled into the United States.

Office of Information Technology

- The Office of Information Technology (OIT) supports the drug enforcement mission through the research, development, acquisition, and support and maintenance of technology, such as non-intrusive inspection systems and targeting systems. Within the OIT, Applied Technology Division (ATD), 50 percent of base resources, 50 percent of support and maintenance resources, and 50 percent of non-intrusive imaging acquisition resources support the anti-drug, as well as the anti-terrorism missions.

Office of Air & Marine Operations (AMO)

- AMO protects the United States by using an integrated and coordinated air and marine force to deter, interdict, and investigate acts of terrorism and smuggling arising from the threats of unlawful movement of people and goods across the nation's borders.

- Since September 11, 2001, AMO has redirected part of its mission to protecting the United States from acts of terrorism. As a result of the expanded mission requirements, resources that support the AMO program are considered to be 90 percent drug-related.

Office of Training and Development

- The Office of Training and Development's (OTD) mission support, while vital to CBP mission, is not entirely drug-related. These figures include estimates of the resources for the Border Patrol and Immigration Officer Academies which now fall under the OTD.
- Training arrived at its estimates by reviewing all courses conducted to determine if the course contained drug enforcement related material. If the course was found to contain drug-related material, the funding attributed to the course was then multiplied by the drug content percentage based on the drug budget methodology. Other resources were attributed to drug enforcement activities at a rate of 25 percent based on the diverse nature of OTD's programs such as anti-terrorism, career development, and transition training of the legacy workforce.

III. PROGRAM SUMMARY

CBP Authorities and Interdiction Efforts

- Titles 18 U.S.C. and 19 U.S.C. authorize CBP to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this statutory authority that CBP plays a key role in the overall anti-drug effort at the border.
- CBP jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the authority of the Bank Secrecy Act, "USA PATRIOT Act," Money Laundering Control Act, and other CBP laws.
- CBP also enforces and administers immigration and nationality laws in conjunction with the inspection of all persons seeking admission into the United States, and identifies and counters drug-related criminal activity. CBP coordinates these efforts with the Departments of State and Agriculture, Immigration and Customs Enforcement and local port authorities.
- CBP has implemented aggressive border enforcement strategies that are designed to interdict and disrupt the flow of narcotics and ill-gotten gains across the nation's borders and dismantle the related smuggling organizations.
- CBP's Automated Targeting System (ATS) addresses targeting needs in the passenger and cargo (air, land and sea) environments in the United States and in foreign ports by CBP Officers targeting cargo under the Container Security Initiative (CSI). The system utilizes a battery of rules to vet all available information related to cargo and passengers and generates relative risk scores for cargo shipments and passengers.
- Under the Customs-Trade Partnership Against Terrorism (C-TPAT), CBP is engaging the trade in developing and implementing security programs to safeguard legitimate trade from being used to smuggle implements of terror and other contraband, including narcotics.

Under C-TPAT, CBP works closely with importers, carriers, brokers, freight forwarders, and other industry sectors to develop a seamless, security-conscious trade environment resistant to the threat of international terrorism. C-TPAT provides the business community and government a venue to exchange ideas, information, and best practices in an ongoing effort to create a secure supply chain, from the factory floor to U.S. port of entry. Under C-TPAT, Americas Counter Smuggling Initiative (ACSI), the Carrier Initiative Program (CIP), and the Business Anti-Smuggling Initiative (BASC) remain instrumental in expanding our anti-narcotics security programs with trade groups and governments throughout the Caribbean, Central and South America and Mexico.

Intelligence Program

- The Intelligence Program provides support to CBP inspectional and border enforcement personnel in disrupting the flow of drugs by collection and analysis of all source information and dissemination of intelligence to the appropriate component. Also, the program provides strategic intelligence estimates to executive management for purposes of planning and resource allocation.

Field Operations Enforcement Technology

- CBP is continuing to acquire and deploy additional large-scale, non-intrusive inspection (NII) systems to our nation's air, sea and land border ports of entry. These systems include the Vehicle and Cargo Inspection System (VACIS), Mobile VACIS, Truck X-ray, Mobile Truck X-ray, Rail VACIS, Mobile Sea Container Systems and the Pallet Gamma-ray System. Large-scale NII technologies are viewed as force multipliers that enable us to screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate trade and cargo.

Air & Marine Operations

- AMO's P-3 aircraft are the primary U.S. Government aircraft used to fly in and over Colombia in support of detection and monitoring efforts. The P-3 AEW and slick aircrafts are critical to interdiction operations in the source and transit zones because they provide vital radar coverage in regions where mountainous terrain, expansive jungles and large bodies of water limit the effectiveness of ground-based radar.
- In the Transit Zone, AMO air and marine crews work in conjunction with the law enforcement agencies and military forces of other nations in support of their counter-narcotic programs. Counterdrug missions include detection and monitoring, interceptor support, and coordinated training with military and other law enforcement personnel.
- As in the support provided to other nations, AMO assists state and local law enforcement counter-narcotics programs in detection and monitoring, interceptor support and coordinated training with law enforcement personnel.

Canine Enforcement

- Detector dog teams play a major role in operational enforcement efforts to seize and disrupt the flow of narcotics into the United States. CBP continues to breed potential detector dogs at the Canine Enforcement Training Center in Front Royal, Virginia, to provide enhanced detection capabilities. Seventeen currency detector dogs are assigned to 14 ports of entry to assist in the interdiction efforts.

Currency Interdiction

- CBP interdicts undeclared bulk currency under 31 USC 5316/17, cutting off funds that fuel terrorism, narcotics trafficking, and criminal activities worldwide.
- CBP Inspectors perform Buckstop Operations, screening outbound travelers and their personal effects. Cashnet Operations focus on interdicting bulk currency exported in cargo shipments. CBP also uses mobile X-ray vans, and 17 specially trained currency canine teams to efficiently target individuals, personal effects, conveyances and cargo acting as vehicles for the illicit export of undeclared currency.

Border Patrol Operations

- The Border Patrol's primary mission is to apprehend illegal aliens and alien smugglers that enter the U.S. illegally. As such, the Border Patrol is responsible for ensuring that the entry of persons into the U.S. between ports-of-entry is controlled in a manner that is consistent with national interests.
- All Border Patrol agents receive Drug Enforcement Administration Title 21 cross-designated authority as part of their basic training.
- The Border Patrol conducts border control activities from the decks of various sized marine craft along the coastal waterways of the U.S., Puerto Rico and the interior waterways common to the United States and Canada. The marine patrol consists of 107 vessels in 16 Border Patrol sectors, nationwide.

IV. BUDGET SUMMARY

2005 Program

- In FY 2005, CBP will direct \$1,429.0 million of its direct appropriations to drug control efforts. The FY 2005 funding will maintain operations at the FY 2004 level and includes the transfer of the AMO from the Immigration and Customs Enforcement.

2006 Request

- In FY 2006, CBP estimates that it will direct \$1,510.9 million of its direct appropriations to drug control efforts. The FY 2006 budget provides the necessary manpower, non-intrusive technology inspection systems and the intelligence, surveillance and reconnaissance

technology to deter and detect the smuggling of illegal drugs, especially along the Southwest Border and to address the problem of the smuggling of high-potency marijuana from Canada. Also included is a \$7.4 million increase for the Long Range Radar program. AMO shares the cost of the Long Range Radar program with the Federal Aviation Administration and DOD. This increase is CBP's share of a service life extension plan for the radars.

V. PERFORMANCE

Summary

- This section on CBP's drug control program accomplishments is drawn from the FY 2006 Budget Request and Performance Plan, and the FY 2004 Performance and Accountability Report (PAR). CBP's drug control program has not been reviewed under the Administration's PART process. The output measures presented indicate how program performance is being monitored.
- As a result of the creation in 2003 of the Department of Homeland Security (DHS), CBP was established by combining immigration, agricultural inspection, border patrol and customs inspection and trade functions. CBP established the draft performance measures presented in the chart below with FY 2003-FY 2009 performance targets carried forward from the strategic plan of the now-defunct U.S. Customs Service. The chart does not include data from the Office of Air and Marine Operations which was transferred to CBP from ICE in FY 2005.

Selected Measures of Performance		
PART Review		
Not Reviewed		
Outcome-Oriented Measures	FY 2004	
	Target	Actual
None at present	----	----
Selected Output Measures	FY 2004	
	Target	Actual
Inspection Narcotics Seizures		
a. cocaine (thousands of pounds)	77.8	44.6
cocaine (number of seizures)	1,788.0	2,095.0
cocaine (pounds per seizures)	43.5	21.3
b. marijuana (thousands of pounds)	873.8	652.8
marijuana (number of seizures)	10,422.0	10,514.0
marijuana (pounds per seizures)	83.8	62.1
c. heroin (thousands of pounds)	3.9	2.8
heroin (number of seizures)	802.0	631.0
heroin (pounds per seizures)	4.9	4.5

Discussion

- CBP presents one goal that focuses on the drug control program. The goal, "Contribute to a safer America by prohibiting the introduction of illicit contraband into the United States" and

the measure titled “Inspection Narcotics Seizures” is identified by CBP as a measure carried over from the former U.S. Customs Service.

- The FY 2004 Performance and Accountability Report includes targets for FY 2004 for cocaine, marijuana, and heroin. These measures address only “outputs” rather than “outcomes” and do not convey a measure of the impact of CBP’s drug control program.
- FY 2004 actual data indicate several areas where targets were not met. The targets were based on prior fiscal year data which included both components of the former U.S. Customs Service Office of Field Operations (OFO) and Office of Investigations. CBP is now measuring progress under the new CBP structure which includes only the data for OFO.
- CBP is working to refine its performance measures and link them to the interagency estimates of drug availability currently under development. These interagency estimates are expected to be available in the fourth quarter of FY 2005.

IMMIGRATION AND CUSTOMS ENFORCEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2004 Final	2005 ^{/1} Enacted	2006 Request
Drug Resources by Function			
Intelligence	\$7.158	\$7.287	\$9.256
Interdiction	199.091	0.000	0.000
Investigations	367.015	350.235	444.046
Prevention	1.100	0.000	0.000
Total	\$574.364	\$357.522	\$453.302
Drug Resources by Decision Unit			
Salaries and Expenses	\$390.996	\$357.522	\$453.302
Operation and Maintenance	183.368	0.000	0.000
<i>Organized Crime Drug Enforcement Task Force [non-add]</i>	----	----	43.678
Total	\$574.364	\$357.522	\$453.302
Drug Resources Personnel Summary			
Total FTEs (direct only)	2,937	2,094	2,440
Information			
Total Agency Budget ^{/2}	\$3,594.4	\$3,645.2	\$4,134.8
Drug Percentage	16.0%	10.0%	11.0%

^{/1} Effective October 1, 2004, Air and Marine Operations (AMO), including the Air and Marine Operations, Maintenance, and Procurement account, were transferred from the U.S. Immigration and Customs Enforcement to U.S. Customs and Border Protection.

^{/2} Total agency budget includes revenues and collections of security fees credited to the Federal Protective Services account.

II. METHODOLOGY

Investigations Program

- At inception of the Department of Homeland Security/Immigration and Customs Enforcement (ICE) in March 2003, 42 percent of ICE's investigative resources—transferred

from legacy U.S. Customs Service—were deemed dedicated to drug control. To reasonably quantify ICE’s level of involvement in drug control activities, and using FY 2004 actual data as a baseline, ICE has employed a methodology that uses the ratio of investigative hours specifically identified with narcotics and money laundering cases to the total investigative hours reported for the fiscal year to determine the dollar equivalent of resources. Based on the casework that ICE Special Agents complete, the ratio may fluctuate from year to year. For FY 2004, 33.7 percent of the Investigations program resources contributed towards drug enforcement operations.

Intelligence Program

- ICE has employed a similar methodology to determine the dollar equivalent of resources for intelligence by using the ratio of hours dedicated to counterdrug operations to the total intelligence hours reported for the fiscal year. For FY 2004, the ratio was 24.8 percent. In addition, ICE relies on the professional judgment of subject matter experts who estimate that 75 percent of the resources devoted to tactical intelligence activities—for which no case hours are recorded—contribute toward drug enforcement operations. The same methodology was used to estimate the FY 2005 and FY 2006 drug control levels.

III. PROGRAM SUMMARY

Investigative Operations

- ICE is authorized to enforce the regulations concerning the movement of carriers, persons, and commodities between the United States and other nations, which enables ICE to play a key role in the overall anti-drug effort with a nexus to the border.
- ICE has broad authority to investigate international financial crime and money laundering. ICE’s jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across the nation’s borders and is applied pursuant to the authority of the Bank Secrecy Act, the USA PATRIOT Act, and the Money Laundering Control Act.
- Money Laundering - ICE financial investigations target the systems used by international criminal organizations to launder the proceeds of their crime. ICE has implemented an aggressive strategy to combat money laundering by: combining interdiction efforts with our international law enforcement counterparts, interagency coordination efforts, undercover investigations, and regulatory interventions that target those systems.
- Currency Interdiction - ICE investigations lead to interdiction of undeclared bulk currency, cutting off funds that fuel narcotics trafficking and criminal activities worldwide.
- ICE is a primary participant in the 15 Integrated Border Enforcement Teams (IBETs) that are located across the Northern Border. IBETs are multi-agency international task forces designed to enhance border integrity and security with Canada by identifying, investigating, and interdicting persons and organizations that pose a threat to national security or are engaged in other organized criminal activity.

- ICE participates in and actively supports the Organized Crime Drug Enforcement Task Forces (OCDETF). ICE OCDETF Coordinators sit on each of OCDETF's nine regional task forces and actively interact with other federal law enforcement agencies, local police chiefs, and state and local prosecutors. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations.
- ICE is an active participant and partner in the Special Operations Division, a multi-agency program involving the Department of Justice, the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Internal Revenue Service.

Intelligence Operations

- The Office of Intelligence provides support to all ICE investigative, detention and removal components, as well as many other departmental entities, in disrupting the flow of drugs by collecting and analyzing all source information and disseminating tactical intelligence to the appropriate operational component.

IV. BUDGET SUMMARY

2005 Program

- The ICE drug control budget for FY 2005 is \$357.5 million. This budget reflects a net reduction of \$217.1 million below the FY 2004 level. This reduction is primarily associated with the transfer of AMO to Customs and Border Protection.

2006 Request

- The FY 2006 drug control proposal is \$453.3 million. This amount is \$95.8 million above the FY 2005 enacted level. The increase reflects an upward adjustment for inflation, technical adjustments to base, and the inclusion in ICE's direct appropriation funding (\$43.7 million) previously provided as a reimbursement from the OCDETF program.

V. PERFORMANCE

Summary

- This section on program accomplishments is drawn from the FY 2006 Budget Request and Performance Plan, and the FY 2004 Performance and Accountability Report (PAR).
- ICE's Office of Investigations (OI) was reviewed under the PART process as part of the FY 2006 Budget Request process. However, individual components, such as the drug control functions, were not reviewed separately. Therefore, there are no separate findings for the drug control component of OI's mission.
- OI is currently in the process of developing a new performance measurement system that will tie its various program components and their results to vulnerabilities in the nation's trade, transportation, immigration, and financial infrastructures.

Selected Measures of Performance		
PART Review		
The Office of Investigations (OI) was reviewed in PART as one program. Therefore, there are no separate findings for the Drug component of OI's mission.		
Outcome-Oriented Measures	FY 2004	
	Target	Actual
For FY 2004, the outcome measure for the OI as a whole was the number of completed cases that had an enforcement consequence defined as arrest, indictment, conviction, seizure, or penalty.	58.7%	43.8%
Explanation of FY 2004 Results: The target was based on the FY 2003 accumulation of immigration and customs law enforcement statistics from two separate reporting systems. October 1st, 2003, started the mandate to enter all ICE law enforcement data on the TECS database. The complete transition of ICE agents entering law enforcement data on TECS was not complete until the 3rd quarter of FY 2004. Since TECS was originally a trade law investigative database, and not all immigration law enforcement statistics directly cross over for entry, this performance measure, as currently defined and reported from one system, is not going to provide the same representation of immigration enforcement results in FY 2004 as had been reported in previous years on a separate system. However, the calculated "Actual" percentage did increase in each quarter of FY 2004.		
Selected Output Measures	FY 2004	FY 2004
	Target	Actual
Narcotics Seizures		
a. cocaine (thousands of pounds)	*	330.6
cocaine (number of seizures)	*	1,908.0
cocaine (pounds per seizures)	*	173.3
b. marijuana (thousands of pounds)	*	1,592.6
marijuana (number of seizures)	*	5,575.0
marijuana (pounds per seizures)	*	285.7
c. heroin (thousands of pounds)	*	3.0
heroin (number of seizures)	*	575.0
heroin (pounds per seizures)	*	5.2

* Note: Pending development of new/revised department/ICE measures, ICE has carried forward the data above from previous U.S. Customs Service measure that did not have established targets.

Discussion

- ICE is undergoing a major shift in the traditional approach to performance measurement. As mentioned above, OI is currently in the process of developing a new performance measurement system that will tie its various program components and their results to vulnerabilities in the nation's trade, transportation, immigration, and financial infrastructures. Therefore, while traditional measures such as drug seizures will still be kept, measurement emphasis will be on the impact of drug control efforts on the systems by which drugs and drug money are moved and stored. As such, ICE will continue to provide output measures to support the outcomes developed by ONDCP.

UNITED STATES COAST GUARD

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2004 Final	2005 Enacted	2006 Request
Drug Resources by Function			
Interdiction	\$770.252	\$843.451	\$972.711
Research & Development	2.200	1.484	0.000
Total	\$772.452	\$844.935	\$972.711
Drug Resources by Decision Unit			
Operating Expenses (OE)	\$586.830	\$655.730	\$720.269
Acquisition, Construction, and Improvements (AC&I)	171.475	173.446	236.991
Reserve Training (RT)	11.947	14.275	15.451
Research, Development, Test and Evaluation (RDT&E)	2.200	1.484	0.000
<i>Organized Crime Drug Enforcement Task Force [non-add]</i>	----	----	0.626
Total	\$772.452	\$844.935	\$972.711
Drug Resources Personnel Summary			
Total FTEs (direct only)	5,494	5,629	5,837
Information			
Total Agency Budget	\$7,012.0	\$7,575.9	\$8,146.9
Drug Percentage	11.0%	11.2%	11.9%

II. METHODOLOGY

- The Coast Guard does not have a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements and acquisitions, reserve training, and research and development activities are funded out of the appropriations specified herein.
- Reflecting the multi-mission nature of Coast Guard units, the accounting system is keyed to operating and support facilities, rather than to specific missions. Consistent with that approach, personnel and other costs are administered and tracked along operational and support capability lines requiring sophisticated cost accounting techniques.

- Coast Guard uses a Mission Cost Model (MCM) methodology to compute its drug attribution. The MCM allocates funding across Coast Guard missions in the Performance-based Budget (PBB) presentation. The MCM allocates all direct and support costs to mission-performing units (e.g., a 378-foot cutter). Established baselines of operational activity are used to further allocate those costs to the various missions.

Operating Expenses (OE):

- OE funds are used to operate facilities, maintain capital equipment, improve management effectiveness, and recruit, train, and sustain all active duty military and civilian personnel. Budget presentations for current and future years use the most recent OE asset cost data. The MCM systematically allocates all OE costs in the following way:
 - Direct Costs: Applied directly to the operating assets (high endurance cutter, HC-130 aircraft, 41' utility boat) that perform missions;
 - Support Costs: Applied to assets for which cost variability can be specifically linked to operating assets (based on carefully-developed allocation criteria); and
 - Overhead Costs: Applied to assets based on proportion of labor dollars spent where cost variability cannot be specifically linked to operating assets. This is a standard industry approach to overhead allocation.
- Once all OE costs are fully loaded on mission-performing assets, those costs are further allocated to Coast Guard missions (Drug Enforcement, Search and Rescue, etc.) using actual or baseline projections for operational employment hours.

Acquisition, Construction & Improvements (AC&I) Appropriation:

- The MCM model is used to develop an allocation of costs by mission areas for proposed AC&I projects. For example, if a new asset is being proposed for commissioning through an AC&I project, costs would be applied to missions using the operational profile of a comparable existing asset.

Research, Development, Test & Evaluation (RDT&E) Appropriation:

- RDT&E funding is allocated across all mission areas based on a project-by-project analysis similar to the method used for AC&I. Effective in FY 2006, RDT&E funding will be consolidated within the department's Science & Technology Directorate.

Reserve Training (RT) Appropriation:

- A portion of the funds available to the drug control mission areas are included in the RT appropriation. RT funds are used to support Selected Reserve personnel who in turn support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations. In the RT budget, allocating a share of budget authority using the same methodology used for OE derives the amount allocated to the drug control mission area.

III. PROGRAM SUMMARY

- The Coast Guard enforces federal laws in the transit and arrival zones as the nation's principal maritime law enforcement agency with jurisdiction on, under and over the high seas and U. S. territorial waters. As part of its strategic goal in maritime security, the Coast Guard's drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying smugglers their maritime routes.
- The Coast Guard has developed a ten-year counterdrug strategic plan, Campaign STEEL WEB. This plan is a comprehensive approach to maritime counterdrug law enforcement in the transit and arrival zones. The cornerstones of this plan are:
 - Maintain a strong interdiction presence highlighted by agile and flexible operations in the transit and arrival zones guided by improved actionable intelligence and information to deny smugglers access to maritime routes and deter trafficking activity;
 - Strengthen ties with source and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas. This will be accomplished through increased engagement designed to deny smugglers safe havens and enhance the law enforcement capabilities of partnering nations' maritime forces;
 - Support interagency and international efforts to combat drug smuggling through increased cooperation and coordination; and
 - Promote efforts to reduce illegal drug use in the maritime environment.
- The Coast Guard aims to conduct effective and agile interdiction operations directed at high threat drug smuggling activity to significantly affect maritime trafficking routes and modes through seizures, disruption and displacement. To this end, the Coast Guard:
 - Deploys a fleet of vessels and aircraft that is equipped with sensors, communications systems and detection technologies guided by coordinated intelligence to surveil, detect, classify, identify, and interdict suspected drug traffickers in the maritime transit and arrival zones. These deep-water cutters, patrol boats, maritime patrol aircraft, helicopters and various small boats provide a critical maritime interdiction presence;
 - Participates in coordinated and joint operations with law enforcement agencies, Department of Defense, and international partners to enhance the effectiveness of transit and arrival zone interdiction efforts. The Coast Guard plans and executes cooperative operations enhancing surveillance, detection, classification, identification, and prosecution in the transit and arrival zones;
 - Deploys Coast Guard Law Enforcement Detachments aboard U.S. Navy and foreign naval vessels to provide maritime law enforcement expertise and authority required to carry out interdiction operations throughout the transit zone;

- Conducts combined law enforcement operations with source and transit zone nations. These operations provide training, bolster the participating nations' law enforcement capabilities and strengthen their political will to fight the adverse impacts of illicit smuggling;
- Negotiates maritime counterdrug agreements in conjunction with the Department of State. These agreements promote seamless law enforcement efforts and facilitate the exercise of host nation authority. Through such initiatives, the Coast Guard strives to make territorial boundaries as functionally transparent to law enforcement forces as they are to the smuggling community; and
- Provides ongoing support to lead agencies focused on programs that are designed to reduce the flow of drugs from source countries. These efforts include providing intelligence resources concentrating on source country activities and personnel for international training in source countries.

IV. BUDGET SUMMARY

2005 Program

- The total FY 2005 drug control request for all accounts is \$844.9 million. This level will provide for drug interdiction related activities in support of *Strategy* priorities. This total includes \$655.7 million for OE, \$173.4 million for AC&I, \$14.3 million for RT, and \$1.5 million for RDT&E.
- The budget provides \$724 million (\$151.8 million drug-related) for the continued development of the Integrated Deepwater System (IDS) acquisition. The Deepwater project will re-capitalize the aging legacy surface and air fleets. It will ensure the Coast Guard is properly equipped and outfitted to enable long-term strategies, such as Campaign STEEL WEB to reap success well into the 21st Century.
- The OE program supports end-game capability through continued implementation of the very successful Operation NEW FRONTIER. The ability to intercept, stop, and board go-fast smuggling boats will be enhanced with armed helicopters, capable of delivering non-deadly force to stop fleeing suspect vessels, working in tandem with Over-the-Horizon (OTH) boats launched from cutters. OE funding will provide support for the helicopters as well as the personnel, maintenance, operations, facilities and training associated with this initiative.
- The FY 2005 program was designed to enable the Coast Guard to build upon Campaign STEEL WEB successes and maintain effective interdiction in the transit zone. The underlying operations of STEEL WEB will continue, including FRONTIER SHIELD in the transit zone off Puerto Rico and the Virgin Islands.
- The Coast Guard program will also support additional efforts in the Eastern Pacific Theater of operations. The Coast Guard will also continue limited support to Joint Inter-Agency Task Force (JIATF)-South's Operation CAPER FOCUS deep in the transit zone off the west coasts of Colombia, Peru, and Ecuador.

- The OE program will continue to fund critical intelligence collection and support that will improve the Coast Guard's ability to identify, intercept and efficiently board smuggling vessels. This includes personnel to support enhanced training and technical assistance engagement with the maritime forces in source and transit zone nations as part of the STEEL WEB strategy.
- The RDT&E program level includes funding to: develop technologies to improve detection of hidden contraband in locations that were previously impossible to search; improve tactical communications systems to improve interagency coordination, command and control; and develop technologies that give commanders a wider range of options to stop fleeing vessels.

2006 Request

- The total FY 2006 drug control proposal for all accounts is estimated at \$972.7 million. This total includes \$720.3 million for OE, \$237 million for AC&I, and \$15.5 million for RT.
- The request represents another milestone in IDS acquisition as it provides \$966 million (\$210.6 million drug-related) for the fourth full year of building out the system.

Operating Expenses:

- Funding continues deployment of Operation NEW FRONTIER assets, which include specially equipped helicopters, and OTH cutter boats designed to stop the go-fast boat smuggling threat.
- Funding will provide for an interdiction presence for Operation FRONTIER SHIELD and other supply reduction pulse operations in the Caribbean transit zone.
- Funding will increase the number of Maritime Patrol Aircraft flight hours by 1,500, thereby allowing greater coverage for known departures, and creating greater awareness in the transit zone and hand off to end game assets.
- Funding will provide interdiction efforts in the maritime regions along the Southwest Border. The Coast Guard maritime interdiction efforts off the coast of south Texas and the coast of southern California are designed to complement the combined efforts of federal, state, and local law enforcement agencies to reduce trafficking across the Southwest Border. As part of the Southwest Border Initiative, the Coast Guard will continue efforts to enhance international cooperation through its relationship with the Mexican Navy.
- The FY 2006 drug program will allow the Coast Guard to continue combined international intelligence operations with Caribbean, Central and South American countries. The program will include supporting the U.S. Southern Command's source country initiative to disrupt production and transportation of illicit drugs. Coast Guard participation includes forward deployed aircraft.
- This budget will continue a series of multilateral counterdrug operations in the Caribbean involving Belgian and United Kingdom resources and regional law enforcement authorities.

These highly mobile operations are designed to focus on the highest threats in the region using local assets and law enforcement agencies in conjunction with multi-national maritime forces.

- The Coast Guard will continue to operate a Caribbean Support Tender (CST) with a multi-national crew to provide mobile and professional training and technical assistance to various transit zone nations.
- The Coast Guard will continue periodic bilateral counterdrug operations such as Operation CONJUNTOS with Panama, Operation RIP TIDE with Jamaica, and Operation DAGGER with the Colombian Navy. These efforts focus heavily on training and professional exchanges among law enforcement units with the goal of strengthening international coordination.

Acquisition, Construction, & Improvements:

- One of the greatest challenges facing the Coast Guard today is that its Deepwater assets (cutters and aircraft) are aging and technologically obsolete. To meet this challenge the Coast Guard, through the Integrated Deepwater System, has begun to re-capitalize and modernize its assets, including sensors and communications equipment for its aging Deepwater cutters and aircraft. The start of this effort has been addressed in the President's FY 2002-2005 Budgets and is continued in the FY 2006 request. The FY 2006 proposal provides \$966 million for Deepwater (an increase of \$242 million over the FY 2005 enacted level), significantly advancing the program. Specifically, the FY 2006 budget begins funding the revised Deepwater Implementation Plan (updated to reflect post-9/11 maritime security mission requirements) by:
 - Continuing production of the Maritime Security Cutter Large (3rd WMSL);
 - Upgrading legacy aircraft assets with improved RADAR and avionics suites;
 - Acquiring Vertical Unmanned Aerial Vehicles;
 - Accelerating HH-65 (short-range helicopter) re-engining;
 - Advancing the design of the Maritime Security Cutter Medium (WMSM); and
 - Completing six legacy medium endurance cutter mid-life extension projects.
- The FY 2006 AC&I proposal includes funding to arm the HH-65B aircraft, which will increase the Coast Guard's end game effectiveness.
- Also included in the AC&I request is continued missionization of C-130J aircraft to increase MPA resources, allowing greater coverage in the departure and transit zones

Reserve Training:

- RT funds will be used to support Selected Reserve personnel who in turn support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations. The funding assumes a drug control allocation equivalent to that of the OE program costs since RT personnel augment OE program functions.

V. PERFORMANCE

Summary

- This section on Coast Guard drug control program accomplishments is drawn from the FY 2006 Budget Request, the FY 2004 Performance and Accountability Report (PAR), and FY 2004 PART assessment. The chart below includes sectional and overall scores from the PART assessment. The Coast Guard has not undergone a PART update review.
- The final FY 2004 flow information, which allows for the calculation of the cocaine removal rate (outcome measure) has not yet been published. However, FY 2004 seizure data (output measures) strongly suggest that the Coast Guard will surpass its FY 2004 target of a 15 percent cocaine removal rate.
- While the Coast Guard's FY 2004 performance results are attributable to a host of factors, three stand out as particularly noteworthy. An increase in actionable intelligence (i.e., raw intelligence coupled with necessary analytical capabilities) allowed for quicker and more thorough sorting of targets and more efficient use of surface and air resources. Second, the Coast Guard continued to capitalize on and expand the highly effective OPERATION NEW FRONTIER program, which employs the use of armed helicopters against drug laden "go-fast" vessels. Third, the International Maritime Interdiction Support provisions in several of the Coast Guard's bilateral counter-drug agreements, coupled with outstanding interagency post-seizure coordination, were instrumental in conveying detainees and evidence to the U.S. for prosecution while keeping assets in theater for continued interdiction.

Selected Measures of Performance			
PART Review		FY 2004 Rating: Results Not Demonstrated. The program was found to be generally well-managed but faced challenges in strategic planning and performance. In the three years that have passed since the FY 2004 review, the program has made great progress toward addressing OMB's recommendations.	
Purpose	100		
Planning	65		
Management	83		
Results	25		
Outcome-Oriented Measures		FY 2004	
		Target	
		Actual	
Non-commercial maritime cocaine removal rate		15%	Available 4/2005
Selected Output Measures		FY 2003	FY 2004
		Actual*	Actual*
a. Amount of cocaine seized (metric tons)		62.1	109.0
b. Amount of cocaine removed (metric tons)		n/a	159.0
c. Amount of total drugs seized (metric tons)		68.5	121.0

* Target data is not shown because the removal rate measure replaces these output measures.

Discussion

- The Coast Guard's Strategic Goal related to illegal drug interdiction focuses on securing maritime routes by halting the flow of illegal drugs, aliens and contraband; preventing illegal incursions of the U.S. Exclusive Economic Zone, and suppressing maritime federal law violations. The strategic goal is monitored by the long-term performance goal of reducing the flow of illegal drugs into the U.S. via maritime routes.
- The Coast Guard's performance measure changed from Cocaine Seizure Rate to Cocaine Removal Rate in FY 2004. The Removal Rate is defined as the amount of cocaine removed as a percent of estimated cocaine flow through the transit zones. This new measure records drugs removed from the market and more accurately reflects Coast Guard counterdrug efforts and results. It includes seizures, jettisonings, sinkings, burnings, and other non-recovered events and is based upon values. For the FY 2004 outcome measure, total non-commercial maritime flow data will not be available until April 2005 when the Interagency Assessment of Cocaine Movement (IACM) is published. At that time, an actual cocaine removal rate will be published for FY 2004.
- The FY 2004 PART review, which was conducted during the spring of 2002, found the program "generally well-managed" but needed to address some strategic planning issues. Long-term performance targets were needed, as were regular comprehensive evaluations. To address these findings, the Coast Guard has established long-term performance targets out to FY 2010, and through the Center for Naval Analyses, is actively engaged in program evaluations. The Coast Guard is also developing new strategies, and is pursuing new authorities, capabilities, competencies, and partnerships to further improve mission performance.